



August 22, 2008

**VIA ECFS**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: Notice of *ex parte* presentation, CC Docket No. 96-128, Alternative  
Petition of Martha Wright, et al.

Dear Ms. Dortch:

Yesterday a meeting was held at the Commission to discuss the cost structure of inmate telecommunications services. The following persons were present from the Commission:

Albert Lewis, Chief, Pricing Division, Wireline Competition Bureau  
Pamela Arluk, Assistant Chief, Pricing Division, Wireline Competition Bureau  
Lynne Engledow, Pricing Division, Wireline Competition Bureau  
Randy Clarke, Legal Advisor to the Chief of the Wireline Competition Bureau  
Darryl Cooper, Wireline Competition Bureau  
Douglas Galbi, Wireline Competition Bureau

In addition to the undersigned, the following party representatives were present:

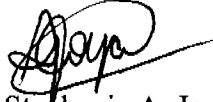
Curtis Hopfinger, Director of Regulatory Affairs, Securus Technologies, Inc.  
Vincent Townsend, President, Pay Tel Communications, Inc.  
Marcus Trathen, Counsel to Pay Tel Communications, Inc.  
Albert H. Kramer, Counsel to Public Communications Services, Inc.  
Don Wood, Wood & Wood, Economic Consultant

In accordance with Rule 1.1206, this notification of oral *ex parte* presentation is submitted for inclusion in the record of the above-captioned docket. Attached hereto is a true and correct copy of the document distributed at the meeting.

Please do not hesitate to contact me with any questions or concerns regarding this matter: 202.857.4534.

Sincerely,

**WOMBLE CARLYLE SANDRIDGE & RICE**  
*A Professional Limited Liability Company*

A handwritten signature in black ink, appearing to read 'Stephanie A. Joyce', with a stylized flourish extending to the right.

Stephanie A. Joyce  
*Counsel to Securus Technologies, Inc.*

Worksheet Set A  
Page 1 of 6

<u>Line</u>			<u>Source/Calculation</u>
1	Total Lines	563	Sum of Line 3 values
2	Total MOUs	144693	Sum of Line 4 values

[illegible]

Worksheet Set A  
Page 2 of 6

Page 2 of 6

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[illegible]

# Inmate Calling Services Interstate Call Cost Study

Worksheet Set A  
Page 3 of 6

## Source/Calculation

W	X	Y	Z	AA	AB

0.031972	0.015986	0.028419	0.005329	0.008881	0.021314	1	Sum of Line 9	(check value)
0.015714	0.002122	0.003386	0.000993	0.000882	0.000558	1	Sum of Line 10	(check value)
\$0.07	\$0.07	\$0.14	\$0.02	\$0.05	\$0.47		Sum of Line 11	Weighted Average Cost
\$0.08	\$0.11	\$0.21	\$0.03	\$0.08	\$0.64		Sum of Line 12	Weighted Average Cost
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		Sum of Line 13	Weighted Average Cost
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		Sum of Line 14	Weighted Average Cost

# Inmate Calling Services Interstate Call Cost Study

Worksheet Set A  
Page 4 of 6

## Calculation of Weighted Average Costs, 25 Locations

<u>Line</u>			<u>Source/Calculation</u>
1	Total Lines	543	Sum of Line 3 values
2	Total MOUs	144361	Sum of Line 4 values

### Locations

			A	B	C	D	E	F	G	H
3	Lines	From Worksheet Set B								
4	MOUs	From Worksheet Set B								
5	Debit cost per call									
6	Debit Cost per MOU									
7	Credit Cost per Call									
8	Credit Cost per MOU									
9	Line Weight	= Line 3/Line1	0.014733	0.007366	0.007366	0.003683		0.012891	0.014733	0.007366
10	MOU Weight	= Line 4/Line2	0.023176	0.009453	0.003279	0.003244		0.018308	0.023176	0.009453
	Contribution to WA - line weights									
11	Debit per call	= Line 5*Line 9	\$0.01	\$0.01	\$0.03	\$0.01		\$0.01	\$0.01	\$0.01
12	Credit per call	= Line 7*Line 9	\$0.03	\$0.02	\$0.04	\$0.01		\$0.03	\$0.03	\$0.02
	Contribution to WA - MOU weights									
13	Debit per MOU	= Line 6*Line 10	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
14	Credit per MOU	= Line 8*Line 10	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00

Worksheet Set A  
Page 5 of 6

# Inmate Calling Services Interstate Call Cost Study

Worksheet Set A  
Page 6 of 6

## Source/Calculation

W	X	Y	Z	AA	AB

0.033149	0.016575	0.029466	0.005525	0.009208
0.01575	0.002127	0.003394	0.000995	0.000884

1	Sum of Line 9	(check value)
1	Sum of Line 10	(check value)

\$0.07	\$0.07	\$0.14	\$0.02	\$0.05
--------	--------	--------	--------	--------

\$1.56
--------

Sum of Line 11	Weighted Average Cost
----------------	-----------------------

\$0.09	\$0.11	\$0.21	\$0.03	\$0.08
--------	--------	--------	--------	--------

\$2.49
--------

Sum of Line 12	Weighted Average Cost
----------------	-----------------------

\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
--------	--------	--------	--------	--------

\$0.06
--------

Sum of Line 13	Weighted Average Cost
----------------	-----------------------

\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
--------	--------	--------	--------	--------

\$0.07
--------

Sum of Line 14	Weighted Average Cost
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**Fixed Cost/Call Calculation**

	<u>Total Company</u>	<u>Location <i>n</i></u>	<u>Source/Calculation</u>
Location lines		1	From Input Matrix
Common lines		1	From Input Matrix
avg total calls/mo		1	From Input Matrix
avg total calls/line/mo		1	Line 3/Line 1
interstate calls/mo		1	From Input Matrix
interstate calls/line/mo		1	Line 5/Line 1
location equip inv		\$0.00	From Input Matrix
location equip/line		\$0.00	Line 7/Line 1
common equip		\$0.00	From Input Matrix
common equip/line		\$0.00	Line 9/Line 2
total equipment/line		\$0.00	Line 8 + Line 10
depreciable life		1	From Input Matrix
capital costs/mo/line		\$0.00	Calculated per FCC formula
maint & repair/line/mo	\$0.00		Amount from Input Matrix/Line 1
Telco/line/mo	\$0.00		Amount from Input Matrix/Line 1
operations & SGA/line/mo	\$0.00		Amount from Input Matrix/Line 1
total fixed costs/line/mo		\$0.00	Sum of Lines 13-16
total fixed costs/call		\$0.00	Line 17/Line 4

**Variable Cost/Call Calculation**

billing & collection/call   
call validation/call

Source/Calculation

From Input Matrix  
From Input Matrix

**Toll Per-MOU Costs**

inc. interstate toll costs

From Input Matrix

**Calculation of Adjustments**

% unbillable (included in rev)   
% PBAs   
% uncollectibles   
sum   
collection factor

From Input Matrix  
From Input Matrix  
From Input Matrix  
Sum of Lines 22-24  
= 1/(1-Line 25)

% unbillable (not incl in rev)   
collection factor (for not incl)

From Input Matrix  
= 1/(1-Line 27)

**Adjusted Costs**

Per-Call Costs

w/coll factor

w/coll factor 2

Per-MOU Costs

NOTE: ALL INFORMATION PROVIDED WILL BE PROTECTED AS CONFIDENTIAL BY WOOD& WOOD CONSULTING, INC.  
NO COMPANY-SPECIFIC INFORMATION WILL BE RELEASED AT ANY TIME, AND ALL COMPANY-SPECIFIC  
INFORMATION WILL BE DESTROYED AT THE END OF THIS PROCESS.

Any questions should be addressed directly to Don Wood at 770.475.9971, x201 (o) or 678.429.4747 (c).

#### Identification of locations to be studied

The FCC methodology is based on the costs associated with a "marginal" location/facility. The FCC defines "marginal" as a location with either a zero or very low commission payment from the ICSP to the inmate facility. Our objective is to develop cost characteristics for locations that meet this definition.

#### Location-Specific Information

For the locations identified, provide

Location *n*

number of lines (or equivalents) at the location

1

investment in equipment at the location (gross, *not* net of accumulated depreciation)

\$

expected life of location equipment (independent of depreciation method used for tax purposes)

1

investment in common equipment used to provide service or service functionalities to this and other locations (gross, *not* net of accumulated depreciation)

\$

number of lines (or equivalents) at all locations served by this common equipment

1

expected life of common equipment (independent of depreciation method used for tax purposes)

1

Note: For this purpose, "equipment" is defined as any equipment directly associated with the processing of calls, including all call monitoring equipment. For leased equipment, provide the monthly lease amount and note that equipment is leased.

total monthly call volume for this location (all call types)

Jan-08

Feb-08

Mar-08

3 month avg.

1

total monthly call volume, local calls

Jan-08

Feb-08

Mar-08

total monthly call volume, intraLATA toll calls

Jan-08

Feb-08

Mar-08

total monthly call volume, interLATA intrastate toll calls

Jan-08

Feb-08

Mar-08

total monthly call volume, interstate toll calls

Jan-08

Feb-08

Mar-08

1

**Non Location-Specific Information**

This information need not be on a location-specific basis, but can be company-wide or aggregated at a different level depending on how individual company records are kept. This information will need to be converted to a per-line or per-call amount, so the number of units (lines or calls) will also need to be provided.

For example, if total company maintenance and repair costs are provided, total company line counts should be provided. It is understood that these values will be averages.

	in thousands	per line	per call	%	per MOU
<i>All values in this section are per month</i>					
equipment maintenance and repair associated number of lines	\$				
SG&A (overhead) associated number of lines	\$				
Telco local service charges associated number of lines	\$				
billing and collection costs associated number of calls	\$				
call validation costs (including LIDB, BNA, and any associated transport) associated number of calls	\$				
gross revenue (directly related to providing calling services) associated number of calls	\$				
unbillable call revenues (included in gross revenue above)	\$				
unbillable call revenues (not included in gross revenue above)	\$				
post billing adjustments	\$				
uncollectibles	\$				
additional costs associated with the completion of interstate toll calls associated number of calls	\$				
associated number of MOUs					

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Location-Specific Information		Location A	Location B	Location C	Location D
For the locations identified, provide					
number of lines (or equivalents) at the location					
investment in equipment at the location (gross, not net of accumulated depreciation)		\$	\$	\$	\$
expected life of location equipment (independent of depreciation method used for tax purposes)					
investment in common equipment used to provide service or service functionalities to this and other locations (gross, not net of accumulated depreciation)		\$	\$	\$	\$
number of lines (or equivalents) at all locations served by this common equipment					
expected life of common equipment (independent of depreciation method used for tax purposes)					
Note: For this purpose, "equipment" is defined as any equipment directly associated with the processing of calls, including all call monitoring equipment. For leased equipment, provide the monthly lease amount and note that equipment is leased.					
total monthly call volume for this location (all call types)	Jan-08				
	Feb-08				
	Mar-08				
total monthly call volume, local calls	Jan-08				
	Feb-08				
	Mar-08				
total monthly call volume, intraLATA toll calls	Jan-08				
	Feb-08				
	Mar-08				
total monthly call volume, interLATA intrastate toll calls	Jan-08				
	Feb-08				
	Mar-08				
total monthly call volume, interstate toll calls	Jan-08				
	Feb-08				
	Mar-08				

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*All values in this section are per month*

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SG&A (overhead) associated number of lines	\$
Telco local service charges associated number of lines	\$
billing and collection costs associated number of calls	\$
call validation costs (including LIDB, BNA, and any associated transport) associated number of calls	\$
gross revenue (directly related to providing calling services) associated number of calls	\$
unbillable call revenues (included in gross revenue above)	\$
unbillable call revenues (not included in gross revenue above)	\$
post billing adjustments	\$
uncollectibles	\$
additional costs associated with the completion of interstate toll calls associated number of calls	\$
associated number of MOUs	